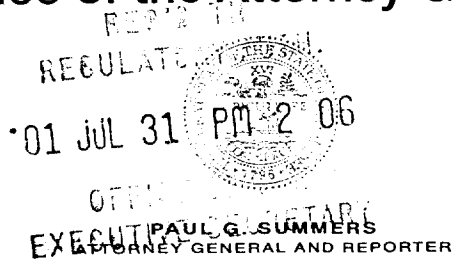


STATE OF TENNESSEE

Office of the Attorney General



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July 27, 2001

Mr. T.G. Pappas, Esq.
Bass, Berry & Sims PLC
315 Deadrick Street, Suite 2700
Nashville, Tennessee 37238-0002

Dear Mr. Pappas:

To assist in our investigation of United Telephone Company's ("United") application for an Adjustment in Rates and Charges, the Approval of Revised Tariffs and the Approval of Revised Service Regulations (TRA Docket No. 01-00451), please furnish two copies of the information itemized in the attachment to this letter.

Please comply with the following instructions for compiling the requested data:

- (1) Each of the response should begin by restating the item requested.
- (2) If several sheets are required to answer an item, each sheet should be appropriately labeled and indexed, for example, Item 1(a), Sheet 1 of 4.
- (3) Please respond fully to the request even if the data has been partially supplied in prior filings or dockets. It is requested that the information be submitted to this office at P.O. Box 20207, Nashville, Tennessee, 37202-0207.

We request your responses by August 10, 2001. If you need clarification of any attached request, please contact Mr. Terry Buckner at (615) 741-8727 before furnishing the response.

Sincerely,

Vance Broemel
Consumer Advocate and Protection Division

by TCP

cc: David Waddell, Executive Secretary, TRA
Herb Bivens, General Manager

43. Please provide all financial data submitted to the Rural Utilities Service ("RUS") for United's new loan filing. This financial data should include the forecasted statements of income.
44. Please provide the Federal Income Tax returns ("Form 1120") and all related schedules for the last three years for United Telephone Company.
45. Please provide the supporting calculations used in developing the estimated growth rates shown in your response to Item 9 of the June 14, 2001 Information Request, page 2 of 40.
46. Please reconcile the access lines used in Enoch Exhibit 9 of 13,802 for the year 2000 and the reported 14,377 per the TRA 3.01 surveillance report of December 2000 and 14,246 per Item 8, page 11 of 22. This reconciliation should provide the actual amount for the year 2000.
47. Please reconcile the Miscellaneous Revenues used in Enoch Exhibit 9 of \$839,876, \$840,393, \$793,270 for the years 1998, 1999, 2000 and the amounts reported of \$1,192,300, \$1,353,182, \$577,826 per the TRA 3.01 surveillance reports of December 1998, 1999, 2000 and the amounts reported in the 2000 audited financial statements of \$731,472 and \$762,335 for the years 2000 and 1999. This reconciliation should provide the actual amount for each year.
48. Please provide the projected pay rates at December 31, 2002 for each employee. This should include the two newly hired outside plant employees and the one newly hired central office employee as well as the two anticipated outside plant employees in the year 2002.
49. Please segregate the amount of intrastate interLATA access revenue and the intrastate intraLATA access revenue for the years 1998-2002 as shown in your response to Item 9 of the June 14, 2001 Information Request, page 2 of 40.
50. Please reconcile the Minutes of Use ("MOU") as reported on the BellSouth SN-642 reports and the NECA AS3000 Settlement statements with the correlating MOU provided in Item 11, pages 2-4 and Item 10, pages 74-76 and Item 8, page 11 of 22. This reconciliation should provide the actual amount for each year.
51. Please provide **detailed workpapers supporting the calculation** of amounts in response to Item 16 of the June 14, 2001 Information Request, page 1 of 1.
52. Please reconcile the year 2000 total payroll amounts of \$1,859,235.63 per item 14, page 2 of 3, \$1,854,712.43 per item 15, page 2 of 2, and \$1,857,712.43 per item 30(d), page 30 of 96. This reconciliation should provide the actual payroll amount for the year 2000.

53. Please provide the final payroll distribution by account number for employee's payroll amounts of V. Seegraves through J. Bailey per the response to item 14, page 2 of 3.
54. Are the Ladd Engineering charges in account number 6232 for the year 2000 non-recurring charges? If not, why not?
55. Are there non-recurring charges in account number 6532 for the year 2000 from the closing of 1999 work orders? If not, why not?
56. Provide a copy of the current L. M. Berry directory contract. Are there non-recurring charges in account number 6622 related to charges from L. M. Berry for the year 2000? If not, why not?
57. Please reconcile the non-regulated operation reported amount of (\$83,107) per the TRA 3.01 surveillance report of December 2000 and the amount reported in the 2000 audited financial statements of (\$240,776) for the year 2000 and the (\$271,118) per the response to item 39, page 3 of 3 for the year 2000. This detailed reconciliation should provide the actual amount for the year.
58. Please provide the cost and sales price of the PCS license in Cookeville as shown in response to Item 4, page 66 of 73.
59. Why was an applicable tax rate of 40% used in response to Item 31 for the calculation of accumulated deferred income taxes?
60. Please reconcile the unamortized extraordinary retirement amount reported of \$0 in the 2000 audited financial statements and the \$4,517,786 per the response to item 29, page 1 of 1 for the year 2000. This reconciliation should provide the actual amount for the year.
61. Provide the current hospitalization insurance rates (i.e. Family, Employee + 1, Employee) for each employee.
62. Provide the amounts charged by account for the lease agreements as provided in response to Item 19, page 1 of 16.
63. Provide the net plant investment by account for United Telephone Long Distance for the years 2000, 2001, and 2002.
64. Provide the amounts of hospitalization insurance, life insurance and pension cost for the year 2000 charged to regulated operations, non-regulated operations and capitalized.